

119TH CONGRESS
1ST SESSION

H. R. 5500

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2025

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “National Flood Insurance Program Administrative Re-
6 form Act of 2025”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Pilot program for properties with preexisting conditions.
- Sec. 3. Penalties for fraud and false statements in the National Flood Insurance Program.
- Sec. 4. Enhanced policyholder appeals process rights.
- Sec. 5. Deadline for approval of claims.
- Sec. 6. Litigation process oversight and reform.
- Sec. 7. Prohibition on hiring disbarred attorneys.
- Sec. 8. Technical assistance reports.
- Sec. 9. Improved disclosure requirement for standard flood insurance policies.
- Sec. 10. Reserve Fund amounts.
- Sec. 11. Sufficient staffing for Office of Flood Insurance Advocate.
- Sec. 12. Federal Flood Insurance Advisory Committee.
- Sec. 13. Interagency guidance on compliance.
- Sec. 14. GAO study of claims adjustment practices.
- Sec. 15. GAO study of flood insurance coverage treatment of earth movement.
- Sec. 16. Definitions.

1 **SEC. 2. PILOT PROGRAM FOR PROPERTIES WITH PRE-**
 2 **EXISTING CONDITIONS.**

3 Section 1311 of the National Flood Insurance Act of
 4 1968 (42 U.S.C. 4018) is amended by adding at the end
 5 the following new subsection:

6 “(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-
 7 EXISTING STRUCTURAL CONDITIONS.—

8 “(1) VOLUNTARY PROGRAM.—The Adminis-
 9 trator shall carry out a pilot program under this
 10 subsection to provide for companies participating in
 11 the Write Your Own program (as such term is de-
 12 fined in section 1370(a) (42 U.S.C. 4121(a))) to in-
 13 vestigate preexisting structural conditions of insured
 14 properties and potentially insured properties that
 15 could result in the denial of a claim under a policy
 16 for flood insurance coverage under this title in the
 17 event of a flood loss to such property. Participation

1 in the pilot program shall be voluntary on the part
2 of Write Your Own companies.

3 “(2) INVESTIGATION OF PROPERTIES.—Under
4 the pilot program under this subsection, a Write
5 Your Own company participating in the program
6 shall—

7 “(A) provide in policies for flood insurance
8 coverage under this title covered by the pro-
9 gram that, upon the request of the policyholder,
10 the company shall provide for—

11 “(i) an investigation of the property
12 covered by such policy, using common
13 methods, to determine whether preexisting
14 structural conditions are present that could
15 result in the denial of a claim under such
16 policy for flood losses; and

17 “(ii) if such investigation is not deter-
18 minative, an on-site inspection of the prop-
19 erty to determine whether such preexisting
20 structural conditions are present;

21 “(B) upon completion of an investigation
22 or inspection pursuant to subparagraph (A)
23 that determines that such a preexisting struc-
24 tural condition is present or absent, submit a

1 report to the policyholder and Administrator de-
2 scribing the condition; and

3 “(C) impose a surcharge on each policy de-
4 scribed in subparagraph (A) in such amount
5 that the Administrator determines is appro-
6 priate to cover the costs of investigations and
7 inspections performed pursuant to such policies
8 and reimburse Write Your Own companies par-
9 ticipating in the program under this subsection
10 for such costs.

11 “(3) INTERIM REPORT.—Not later than Decem-
12 ber 31, 2027, the Administrator shall submit a re-
13 port to the Committee on Financial Services of the
14 House of Representatives and the Committee on
15 Banking, Housing, and Urban Affairs of the Senate
16 describing the operation of the pilot program to that
17 date.

18 “(4) SUNSET.—The Administrator may not
19 provide any policy for flood insurance described in
20 paragraph (2)(A) after December 31, 2028.

21 “(5) FINAL REPORT.—Not later than March
22 31, 2029, the Administrator shall submit a final re-
23 port regarding the pilot program under this section
24 to the Committee on Financial Services of the House
25 of Representatives and the Committee on Banking,

1 Housing, and Urban Affairs of the Senate. The re-
2 port shall include any findings and recommendations
3 of the Administrator regarding the pilot program.”.

4 **SEC. 3. PENALTIES FOR FRAUD AND FALSE STATEMENTS**
5 **IN THE NATIONAL FLOOD INSURANCE PRO-**
6 **GRAM.**

7 Part C of chapter II of the National Flood Insurance
8 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-
9 ing at the end the following new section:

10 **“SEC. 1349. PENALTIES FOR FRAUD AND FALSE STATE-**
11 **MENTS IN THE NATIONAL FLOOD INSURANCE**
12 **PROGRAM.**

13 “(a) PROHIBITED ACTS.—A person shall not know-
14 ingly make a false, fictitious, or fraudulent statement, pro-
15 duction, or submission in connection with the proving or
16 adjusting of a claim for flood insurance coverage made
17 available under this Act. Such prohibited acts include—

18 “(1) knowingly forging an engineering report,
19 claims adjustment report or technical assistance re-
20 port used to support a claim determination;

21 “(2) knowingly making any materially false, fic-
22 titious, or fraudulent statement or representation in
23 an engineering report, claims adjustment report, or
24 technical assistance report to support a claim deter-
25 mination that results in a wrongful denial or sub-

1 stantial payment error of flood insurance coverage;
2 and

3 “(3) knowingly submitting a materially false,
4 fictitious, or fraudulent claim that results in wrong-
5 ful payment of flood insurance coverage.

6 “(b) DEFINITION.—For purposes of this section, the
7 term ‘knowingly’ means having actual awareness of the
8 prohibitions under this part and acting deliberately in vio-
9 lation of such prohibitions.

10 “(c) ADMINISTRATIVE REMEDY.—Prior to any legal
11 action being taken related to this section, all administra-
12 tive remedies shall be exhausted.

13 “(d) RULE OF CONSTRUCTION.—This section shall
14 not be construed—

15 “(1) to prevent the Federal Government from
16 bringing action against a company or individual
17 under applicable statutes, including the False Claims
18 Act; and

19 “(2) as creating any action, private right of ac-
20 tion, or remedy not otherwise provided by this title
21 or under Federal law.

22 “(e) STATE ACTION.—Any person found to have vio-
23 lated subsection (a) shall be referred to the appropriate
24 and relevant State licensing agency by the Attorney Gen-
25 eral.”.

1 **SEC. 4. ENHANCED POLICYHOLDER APPEALS PROCESS**
2 **RIGHTS.**

3 (a) ESTABLISHMENT.—Part C of chapter II of the
4 National Flood Insurance Act of 1968 (42 U.S.C. 4081
5 et seq.), as amended by the preceding provisions of this
6 Act, is further amended by adding at the end the following
7 new section:

8 **“SEC. 1350. APPROVAL OF DECISIONS RELATING TO FLOOD**
9 **INSURANCE COVERAGE.**

10 “(a) IN GENERAL.—The Administrator shall estab-
11 lish an appeals process to enable holders of a flood insur-
12 ance policy provided under this title to appeal decisions,
13 with respect to the disallowance, in whole or in part, of
14 any claims for losses covered by flood insurance. Such ap-
15 peals shall be limited to the claim or portion of the claim
16 disallowed.

17 “(b) APPEAL DECISION.—Upon a decision in an ap-
18 peal under subsection (a), the Administrator shall provide
19 the policyholder with a written appeal decision. The appeal
20 decision shall explain the Administrator’s determination to
21 uphold, modify, or overturn the decision. The Adminis-
22 trator may direct the Write Your Own company to take
23 action necessary to resolve the appeal, to include re-inspec-
24 tion, re-adjustment, or payment, as appropriate.

25 “(c) DEADLINE FOR APPEALS DECISION.—The Ad-
26 ministrator shall issue an appeals decision pursuant to

1 subsection (b) not later than the expiration of the 120-
2 day period beginning upon the day on which the Adminis-
3 trator acknowledges receipt of a request by the policy-
4 holder to pursue an appeal of the initial determination re-
5 garding approval, disapproval, or amount of payment by
6 the Administrator. In cases where extraordinary cir-
7 cumstances, as established by regulation, are dem-
8 onstrated, the 120-day period may be extended by addi-
9 tional successive periods of 30 days.

10 “(d) ADMINISTRATIVE REMEDY.—A policyholder
11 shall exhaust all administrative remedies, including sub-
12 mission of disputed claims to appeal under subsection (a),
13 prior to commencing legal action on a disputed claim.

14 “(e) RULES OF CONSTRUCTION.—This section shall
15 not be construed as—

16 “(1) making the Federal Emergency Manage-
17 ment Agency or the Administrator a party to the
18 flood insurance contract; or

19 “(2) creating any action or remedy not other-
20 wise provided by this title.

21 “(f) POLICYHOLDER LITIGATION.—This section shall
22 not be construed to prevent a policyholder from bringing
23 legal action against the Federal Emergency Management
24 Agency or a Write Your Own company following the ex-

1 haustion of all administrative remedies and pursuant to
2 applicable statute.”.

3 (b) MAINTENANCE OF LITIGATION RIGHTS.—Section
4 1341 of the National Flood Insurance Act of 1968 (42
5 U.S.C. 4072) is amended by adding after the period at
6 the end the following: “For purposes of this section, the
7 time from which the Administrator has acknowledged re-
8 ceipt of a request by the policyholder to pursue an appeal
9 of the initial determination regarding approval, dis-
10 approval, or amount of payment by the Administrator
11 until the Administrator mails a final determination of such
12 appeal shall not be considered towards the one year stat-
13 ute of limitation under this Act. However, this section
14 shall not be construed as creating any action or remedy
15 not otherwise provided by this title.”.

16 (c) REPEAL.—Section 205 of the Bunning-Bereuter-
17 Blumenauer Flood Insurance Reform Act of 2004 (42
18 U.S.C. 4011 note) is hereby repealed.

19 **SEC. 5. DEADLINE FOR APPROVAL OF CLAIMS.**

20 (a) IN GENERAL.—Section 1312 of the National
21 Flood Insurance Act of 1968 (42 U.S.C. 4019) is amend-
22 ed—

23 (1) in subsection (a), by striking “The Adminis-
24 trator” and inserting “Subject to other provisions of
25 this section, the Administrator”; and

1 (2) by adding at the end the following new sub-
2 section:

3 “(d) DEADLINE FOR APPROVAL OF CLAIMS.—

4 “(1) IN GENERAL.—The Administrator shall
5 provide that, in the case of any claim for damage to
6 or loss of property under flood insurance coverage
7 made available under this title, an initial determina-
8 tion regarding approval of a claim for payment or
9 disapproval of the claim be made, and notification of
10 such determination be provided to the insured mak-
11 ing such claim, not later than the expiration of the
12 120-day period (as such period may be extended
13 pursuant to paragraph (2)) beginning upon the day
14 on which the policyholder submits a signed proof of
15 loss detailing the damage and amount of the loss.
16 Payment of approved claims shall be made as soon
17 as possible after such approval.

18 “(2) EXTENSION OF DEADLINE.—The Adminis-
19 trator shall—

20 “(A) provide that the period referred to in
21 paragraph (1) may be extended by additional
22 successive periods of 30 days in cases where ex-
23 traordinary circumstances are demonstrated;
24 and

1 “(B) establish, by regulation, criteria for
2 demonstrating such extraordinary cir-
3 cumstances.”.

4 (b) **APPLICABILITY.**—The amendments made by sub-
5 section (a) shall apply to any claim under flood insurance
6 coverage made available under the National Flood Insur-
7 ance Act of 1968 (42 U.S.C. 4001 et seq.) pending on
8 the date of the enactment of this Act and any claims made
9 after such date of enactment.

10 **SEC. 6. LITIGATION PROCESS OVERSIGHT AND REFORM.**

11 (a) **IN GENERAL.**—Part C of chapter II of the Na-
12 tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et
13 seq.), as amended by the preceding provisions of this Act,
14 is further amended by adding at the end the following new
15 section:

16 **“SEC. 1351. OVERSIGHT OF LITIGATION.**

17 “(a) **OVERSIGHT.**—The Administrator shall monitor
18 and oversee litigation conducted by Write Your Own com-
19 panies arising under contracts for flood insurance sold
20 pursuant to this title, to ensure that—

21 “(1) litigation expenses are reasonable, appro-
22 priate, and cost-effective; and

23 “(2) Write Your Own companies comply with
24 guidance and procedures established by the Adminis-
25 trator regarding the conduct of litigation.

1 “(b) DENIAL OF REIMBURSEMENT FOR EX-
2 PENSES.—The Administrator may deny reimbursement
3 for litigation expenses that are determined to be unreason-
4 able, excessive, contrary to guidance issued by the Admin-
5 istrator, or outside the scope of any arrangement entered
6 into with a Write Your Own company.

7 “(c) JOINT DEFENSE.—

8 “(1) AUTHORITY.—The Administrator and the
9 Write Your Own companies may enter into, and op-
10 erate under, a joint defense agreement for any claim
11 or lawsuit, or multiple claims or lawsuits, arising
12 under a contract of flood insurance.

13 “(2) FREE FLOW OF INFORMATION.—Under
14 such joint defense agreement, there may be the free
15 flow of information between the Write Your Own
16 companies, the Administrator, the United States De-
17 partment of Justice, and legal counsel for the Write
18 Your Own companies for the purpose of litigation
19 coordination and to allow the Administrator to per-
20 form oversight responsibility of such litigation.

21 “(3) ARRANGEMENT.—Such joint defense
22 agreement may be included in the Arrangement be-
23 tween the Administrator and the Write Your Own
24 companies.

1 “(4) REGULATIONS.—The Administrator may
2 issue rules or regulations or provide such formal
3 guidance as the Administrator considers necessary
4 and appropriate in order to further such joint de-
5 fense agreement with the Write Your Own compa-
6 nies.”.

7 (b) IMPLEMENTATION.—The Administrator of the
8 Federal Emergency Management Agency shall initiate
9 compliance with section 1351(c) of the National Flood In-
10 surance Act of 1968, as added by the amendment made
11 by subsection (a) of this section, not later than the expira-
12 tion of the 12-month period beginning on the date of the
13 enactment of this Act.

14 **SEC. 7. PROHIBITION ON HIRING DISBARRED ATTORNEYS.**

15 Part C of chapter II of the National Flood Insurance
16 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the
17 preceding provisions of this Act, is further amended by
18 adding at the end the following new section:

19 **“SEC. 1352. PROHIBITION ON HIRING DISBARRED ATTOR-**
20 **NEYS.**

21 “The Administrator may not at any time newly em-
22 ploy in connection with the flood insurance program under
23 this title any attorney who has been suspended or dis-
24 barred by any court, bar, or Federal or State agency to
25 which the individual was previously admitted to practice.”.

1 **SEC. 8. TECHNICAL ASSISTANCE REPORTS.**

2 (a) USE.—Section 1312 of the National Flood Insur-
3 ance Act of 1968 (42 U.S.C. 4019), as amended by the
4 preceding provisions of this Act, is further amended by
5 adding at the end the following new subsection:

6 “(e) USE OF TECHNICAL ASSISTANCE REPORTS.—
7 When adjusting claims for any damage to or loss of prop-
8 erty which is covered by flood insurance made available
9 under this title, the Administrator may rely upon technical
10 assistance reports, as such term is defined in section
11 1312A, only if such reports are final and are prepared
12 in compliance with applicable State and Federal laws re-
13 garding professional licensure and conduct.”.

14 (b) DISCLOSURE.—The National Flood Insurance
15 Act of 1968 is amended by inserting after section 1312
16 (42 U.S.C. 4019) the following new section:

17 **“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE RE-**
18 **PORTS.**

19 “(a) IN GENERAL.—Notwithstanding section 552a of
20 title 5, United States Code, upon request by a policy-
21 holder, the Administrator shall provide a true, complete,
22 and unredacted copy of any technical assistance report
23 that the Administrator relied upon in adjusting and pay-
24 ing for any damage to or loss of property insured by the
25 policyholder and covered by flood insurance made available
26 under this title. Such disclosures shall be in addition to

1 any other right of disclosure otherwise made available pur-
2 suant such section 552a or any other provision of law.

3 “(b) DIRECT DISCLOSURE BY WRITE YOUR OWN
4 COMPANIES AND DIRECT SERVICING AGENTS.—A Write
5 Your Own company or direct servicing agent in possession
6 of a technical assistance report subject to disclosure under
7 subsection (a) may disclose such technical assistance re-
8 port without further review or approval by the Adminis-
9 trator.

10 “(c) DEFINITIONS.—For purposes of this section, the
11 following definitions shall apply:

12 “(1) POLICYHOLDER.—The term ‘policyholder’
13 means a person or persons shown as an insured on
14 the declarations page of a policy for flood insurance
15 coverage sold pursuant to this title.

16 “(2) TECHNICAL ASSISTANCE REPORT.—The
17 term ‘technical assistance report’ means a report
18 created for the purpose of furnishing technical as-
19 sistance to an insurance claims adjuster assigned by
20 the National Flood Insurance Program, including by
21 engineers, surveyors, salvors, architects, and cer-
22 tified public accounts.”.

1 **SEC. 9. IMPROVED DISCLOSURE REQUIREMENT FOR**
2 **STANDARD FLOOD INSURANCE POLICIES.**

3 (a) IN GENERAL.—Section 100234 of the Biggert-
4 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.
5 4013a) is amended by adding at the end the following new
6 subsections:

7 “(c) DISCLOSURE OF COVERAGE.—

8 “(1) DISCLOSURE SHEET.—Each policy under
9 the National Flood Insurance Program shall include
10 a standard disclosure sheet that is produced by the
11 Administrator that sets forth, in plain language—

12 “(A) the definition of the term ‘flood’ for
13 purposes of coverage under the policy;

14 “(B) a description of what type of flood
15 forces are necessary so that losses from an
16 event are covered under the policy, including
17 overflow of inland or tidal waves, unusual and
18 rapid accumulation or runoff of a surface any
19 source, and mudflow;

20 “(C) a statement acknowledging that a
21 standard flood insurance policy does not cover
22 basement improvements, such as finished walls,
23 floors, and ceilings, or personal property kept in
24 a basement;

25 “(D) a statement acknowledging a stand-
26 ard flood insurance policy does not include cov-

1 erage for personal property, but such coverage
2 may be purchased, for some personal property
3 contained in a basement, as well as personal be-
4 longings contained elsewhere in the dwelling;

5 “(E) a statement of the other types and
6 characteristics of losses that are not covered
7 under the policy;

8 “(F) a statement that the disclosure sheet
9 provides general information about the policy-
10 holder’s standard flood insurance policy;

11 “(G) a statement that the standard flood
12 insurance policy, together with the endorse-
13 ments and declarations page, make up the offi-
14 cial contract and are controlling in the event
15 that there is any difference between the infor-
16 mation on the disclosure sheet and the informa-
17 tion in the policy;

18 “(H) a statement that, if the policyholder
19 has any questions regarding information in the
20 disclosure sheet or policy, the policyholder
21 should contact the entity selling the policy on
22 behalf of the Program, together with contact in-
23 formation sufficient to allow the policyholder to
24 contact such entity; and

1 “(I) any other information that the Admin-
2 istrator determines will be helpful to policy-
3 holder in understanding flood insurance cov-
4 erage.

5 “(2) ACKNOWLEDGMENT SHEET.—Each policy
6 application under the National Flood Insurance Pro-
7 gram shall include an acknowledgment sheet on
8 which the policyholder shall affirmatively—

9 “(A) acknowledge that the policyholder re-
10 ceived the disclosure sheet required under para-
11 graph (1);

12 “(B) accept or decline coverage for per-
13 sonal property;

14 “(C) accept or decline other optional cov-
15 erage that may be available;

16 “(D) acknowledge the policyholder’s under-
17 standing that the standard flood insurance pol-
18 icy, together with the endorsements and dec-
19 larations page, make up the official contract
20 and are controlling in the event that there is
21 any difference between the information on the
22 acknowledgment sheet and the information in
23 the policy; and

24 “(E) acknowledge that the policyholder has
25 been provided and has reviewed a summary,

1 which may be the policy declarations page, of
2 the total cost, amount and extent of insurance
3 coverage provided under the policy.

4 “(d) **RULE OF CONSTRUCTION.**—This section shall
5 not be construed to void or alter the coverage terms of
6 the underlying standard flood insurance policy and the
7 corresponding endorsements. In the event that the cus-
8 tomer does not affirmatively acknowledge the require-
9 ments under subsection (c)(2), a Write Your Own com-
10 pany may still issue the policy on behalf of the National
11 Flood Insurance Program under such terms.”.

12 (b) **REPEALS.**—Sections 202 and 203 of the Bun-
13 ning-Bereuter-Blumenauer Flood Insurance Reform Act
14 of 2004 (42 U.S.C. 4011 note) are hereby repealed.

15 **SEC. 10. RESERVE FUND AMOUNTS.**

16 Section 1310 of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4017) is amended by adding at the end
18 the following new subsection:

19 “(g) **CREDITING OF RESERVE FUND AMOUNTS.**—
20 Funds collected pursuant to section 1310A may be cred-
21 ited to the Fund under this section to be available for the
22 purpose described in subsection (d)(1).”.

1 **SEC. 11. SUFFICIENT STAFFING FOR OFFICE OF FLOOD IN-**
2 **SURANCE ADVOCATE.**

3 (a) IN GENERAL.—Section 24 of the Homeowner
4 Flood Insurance Affordability Act of 2014 (42 U.S.C.
5 4033) is amended by adding at the end the following new
6 subsection:

7 “(c) STAFF.—The Administrator shall ensure that
8 the Flood Insurance Advocate has sufficient staff to carry
9 out all of the duties and responsibilities of the Advocate
10 under this section.”.

11 (b) TIMING.—The Administrator of the Federal
12 Emergency Management Agency shall take such actions
13 as may be necessary to provide for full compliance with
14 section 24(c) of the Homeowner Flood Insurance Afford-
15 ability Act of 2014, as added by the amendment made by
16 subsection (a) of this section, not later than the expiration
17 of the 180-day period beginning on the date of the enact-
18 ment of this Act.

19 **SEC. 12. FEDERAL FLOOD INSURANCE ADVISORY COM-**
20 **MITTEE.**

21 Section 1318 of the National Flood Insurance Act of
22 1968 (42 U.S.C. 4025) is amended to read as follows:

23 **“SEC. 1318. FEDERAL FLOOD INSURANCE ADVISORY COM-**
24 **MITTEE.**

25 “(a) ESTABLISHMENT.—There is established an advi-
26 sory committee to be known as the Federal Flood Insur-

1 ance Advisory Committee (in this section referred to as
2 the ‘Committee’).

3 “(b) MEMBERSHIP.—

4 “(1) MEMBERS.—The Committee shall consist
5 of—

6 “(A) the Administrator of the Federal
7 Emergency Management Agency (in this section
8 referred to as the ‘Administrator’), or the des-
9 ignee thereof; and

10 “(B) additional members appointed by the
11 Administrator or the designee of the Adminis-
12 trator, who shall include—

13 “(i) three representatives of Write
14 Your Own companies;

15 “(ii) one individual who served in the
16 past, or is currently serving, as an insur-
17 ance regulator of a State, the District of
18 Columbia, the Commonwealth of Puerto
19 Rico, Guam, the Commonwealth of the
20 Northern Mariana Islands, the Virgin Is-
21 lands, American Samoa, or any federally-
22 recognized Indian tribe;

23 “(iii) one representative of the finan-
24 cial or insurance sectors who is involved in
25 risk transfers, including reinsurance, resil-

1 ience bonds, and other insurance-linked se-
2 curities;

3 “(iv) one actuary with demonstrated
4 high-level knowledge of catastrophic risk
5 insurance;

6 “(v) two insurance agents or brokers
7 with demonstrated experience with the sale
8 of flood insurance under the National
9 Flood Insurance Program, one of whom
10 shall have demonstrated expertise in the
11 challenges in insuring low-income commu-
12 nities;

13 “(vi) one insurance claims specialist;

14 “(vii) one representative of a recog-
15 nized consumer advocacy organization; and

16 “(viii) one representative from an aca-
17 demic institution who has demonstrated
18 expertise in insurance.

19 “(2) QUALIFICATIONS.—In appointing members
20 under paragraph (1)(C), the Administrator shall, to
21 the maximum extent practicable, ensure the mem-
22 bership of the Committee has a balance of members
23 reflecting geographic diversity, including representa-
24 tion from areas inland or with coastline identified by

1 the Administrator as at high risk for flooding or as
2 areas having special flood hazards.

3 “(c) DUTIES.—The Administrator shall submit, and
4 the Committee shall review and make recommendations
5 on, matters related to the insurance aspects of the Na-
6 tional Flood Insurance Program, including ratemaking,
7 technology to administer insurance, risk assessment, actu-
8 arial practices, claims practices, sales and insurance deliv-
9 ery, compensation and allowances, the public-private part-
10 nership under the Write Your Own arrangement, general
11 best insurance practices, and any significant changes pro-
12 posed to be made regarding the operation of the National
13 Flood Insurance Program.

14 “(d) CHAIRPERSON.—The members of the Com-
15 mittee shall elect one member to serve as the chairperson
16 of the Committee (in this section referred to as the ‘Chair-
17 person’).

18 “(e) COMPENSATION.—Members of the Committee
19 shall receive no additional compensation by reason of their
20 service on the Committee. Members may be reimbursed
21 by the Federal Government for travel expenses, including
22 per diem in lieu of subsistence, at rates consistent with
23 rates authorized for employees of Federal agencies under
24 subchapter 1 of chapter 57 of title 5, United States Code,

1 while away from home or regular places of business in per-
2 formance of service for the Committee.

3 “(f) MEETINGS AND ACTIONS.—

4 “(1) IN GENERAL.—The Committee shall meet
5 not less frequently than twice each year at the re-
6 quest of the Chairperson or a majority of its mem-
7 bers, and may take action by a vote of the majority
8 of the members in accordance with the Committee’s
9 charter.

10 “(2) INITIAL MEETING.—The Administrator, or
11 a person designated by the Administrator, shall re-
12 quest and coordinate the initial meeting of the Com-
13 mittee.

14 “(g) TRANSPARENCY; FACA.—To the greatest ex-
15 tent possible, the Committee shall operate in a transparent
16 manner that adheres to the requirements of the Federal
17 Advisory Committee Act, with the exception that the Com-
18 mittee shall be permitted to freely communicate both dur-
19 ing and between meetings under paragraph (f) in a con-
20 fidential manner to discuss non-public information regard-
21 ing the operations of the National Flood Insurance Pro-
22 gram and other sensitive and non-public issues. If such
23 communication occurs, the Committee shall, to the great-
24 est extent possible, report a summary of such discussions
25 in an appropriate public manner.

1 “(h) STAFF OF FEMA.—Upon the request of the
2 Chairperson, the Administrator may detail, on a non-
3 reimbursable basis, personnel of the Federal Emergency
4 Management Agency to assist the Committee in carrying
5 out its duties.

6 “(i) POWERS.—In carrying out this section, the Com-
7 mittee may hold hearings, receive evidence and assistance,
8 provide information, and conduct research, as it considers
9 appropriate.

10 “(j) REPORTS TO CONGRESS.—The Administrator,
11 on an annual basis, shall report to the Committee on Fi-
12 nancial Services of the House of Representatives, the
13 Committee on Banking, Housing, and Urban Affairs of
14 the Senate, and the Office of Management and Budget
15 on—

16 “(1) the recommendations made by the Com-
17 mittee;

18 “(2) actions taken by the Federal Emergency
19 Management Agency to address such recommenda-
20 tions to improve the insurance aspects of the na-
21 tional flood insurance program; and

22 “(3) any recommendations made by the Com-
23 mittee that have been deferred or not acted upon,
24 together with an explanatory statement.

1 “(k) **RULE OF CONSTRUCTION.**—This section shall
2 not be construed to eliminate or alter any requirement on
3 the Administrator associated with the notification or con-
4 sultation of specified individuals or groups of individuals
5 as required elsewhere by statute.”.

6 **SEC. 13. INTERAGENCY GUIDANCE ON COMPLIANCE.**

7 The Federal entities for lending regulation (as such
8 term is defined in section 3(a) of the Flood Disaster Pro-
9 tection Act of 1973 (42 U.S.C. 4003(a))), in consultation
10 with the Administrator of the Federal Emergency Man-
11 agement Agency, shall update and reissue the document
12 entitled “Interagency Questions and Answers Regarding
13 Flood Insurance” not later than the expiration of the 12-
14 month period beginning on the date of the enactment of
15 this Act and not less frequently than biennially thereafter.

16 **SEC. 14. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.**

17 The Comptroller General of the United States shall
18 conduct a study of the policies and practices for adjust-
19 ment of claims for losses under flood insurance coverage
20 made available under the National Flood Insurance Act,
21 which shall include—

22 (1) a comparison of such policies and practices
23 with the policies and practices for adjustment of
24 claims for losses under other insurance coverage;

1 (2) an assessment of the quality of the adjust-
2 ments conducted and the effects of such policies and
3 practices on such quality;

4 (3) identification of any incentives under such
5 policies and practices that affect the speed with
6 which such adjustments are conducted; and

7 (4) identification of the affects of such policies
8 and practices on insureds submitting such claims for
9 losses.

10 Not later than the expiration of the 18-month period be-
11 ginning on the date of the enactment of this Act, the
12 Comptroller General shall submit a report to the Com-
13 mittee on Financial Services of the House of Representa-
14 tives and the Committee on Banking, Housing, and Urban
15 Affairs of the Senate regarding the findings and conclu-
16 sions of the study conducted pursuant to this section.

17 **SEC. 15. GAO STUDY OF FLOOD INSURANCE COVERAGE**
18 **TREATMENT OF EARTH MOVEMENT.**

19 The Comptroller General of the United States shall
20 conduct a study of the treatment, under flood insurance
21 coverage made available under the National Flood Insur-
22 ance Act, of earth movement and subsidence, including
23 earth movement and subsidence caused by flooding, which
24 shall include—

1 (1) identification and analysis of the effects of
2 such treatment on the National Flood Insurance
3 Program and insureds under the program;

4 (2) an assessment of the availability and afford-
5 ability of coverage in the private insurance market
6 for earth movement and subsidence caused by flood-
7 ing;

8 (3) an assessment of the effects on the National
9 Flood Insurance Program of covering earth move-
10 ment and subsidence caused by flooding; and

11 (4) a projection of the increased premiums that
12 would be required to make coverage for earth move-
13 ment losses actuarially sound and not fiscally detri-
14 mental to the continuation of the National Flood In-
15 surance Program.

16 Not later than the expiration of the 18-month period be-
17 ginning on the date of the enactment of this Act, the
18 Comptroller General shall submit a report to the Com-
19 mittee on Financial Services of the House of Representa-
20 tives and the Committee on Banking, Housing, and Urban
21 Affairs of the Senate regarding the findings and conclu-
22 sions of the study conducted pursuant to this section.

1 **SEC. 16. DEFINITIONS.**

2 (a) NATIONAL FLOOD INSURANCE ACT OF 1968.—

3 Subsection (a) of section 1370 of the National Flood In-
4 surance Act of 1968 (42 U.S.C. 4121(a)) is amended—

5 (1) in paragraph (14), by striking “and” at the
6 end;

7 (2) in paragraph (15), by striking the period at
8 the end and inserting a semicolon; and

9 (3) by adding at the end the following new
10 paragraphs:

11 “(16) the term ‘Write Your Own Program’
12 means the program under which the Federal Emer-
13 gency Management Agency enters into a standard
14 arrangement with private property insurance compa-
15 nies to sell contracts for flood insurance coverage
16 under this title under their own business lines of in-
17 surance, and to adjust and pay claims arising under
18 such contracts; and

19 “(17) the term ‘Write Your Own company’
20 means a private property insurance company that
21 participates in the Write Your Own Program.”.

22 (b) BIGGERT-WATERS FLOOD INSURANCE REFORM
23 ACT OF 2012.—Subsection (a) of section 100202 of the
24 Biggert-Waters Flood Insurance Reform Act of 2012 (42
25 U.S.C. 4004(a)) is amended by striking paragraph (5) and
26 inserting the following new paragraph:

1 “(5) WRITE YOUR OWN.—The terms ‘Write
2 Your Own Program’ and ‘Write Your Own company’
3 have the meanings given such terms in section
4 1370(a) of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4121(a)).”.

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